

Small Agency Financial Services

The Department of Enterprise Services (DES) offers a variety of financial management services to agencies:

- Budgeting and financial management services
- Accounts payable services
- Invoicing, accounts receivable and cash receipts services
- Payroll services

The costs for providing these services are recovered through charges to user agencies. This document describes the services that DES commits to provide in return.

Customer Service Commitments

Our normal business hours are Monday-Friday from 8 a.m. to 5 p.m.

DES will:

- Acknowledge agency telephone calls, emails, and requests within one business day.
- Keep agencies updated on status of completion of request.
- Notify agencies of DES staff changes and DES process improvements in advance.
- Notify agencies of budget and accounting deadlines and progress.
- Keep agencies informed of what is expected of/needed from them.

Service Level Commitments

The following services will be provided to the agency as part of the standard rate.

Budgeting and Financial Management Services

Budgeting

Biennial and Supplemental Budget Development

DES will:

- Prepare any additional material to accompany the OFM budget instructions.
 - Budget calendar
 - Roles and responsibilities
 - Orientation materials
 - Special instructions

- Meet with agency management before the budget cycle begins to identify budget needs and issues.
- Assist and advise the agency as needed in developing budget document contents. For example:
 - Decision packages
 - Staff cost analysis
 - Performance measures
 - Activity inventories
- Prepare all budget documents and forms that Small Agency Financial Services (SAFS) is responsible for and review them with the agency.
- Assist the agency in assembling the budget documents to ensure that all components are included and clearly identified.
- Release Budget Development System data to the Office of Financial Management (OFM) budget after the agency approves.
- Assist agency management in briefing OFM budget and legislative staff as needed.
- Assist agency in responding to questions from OFM budget, legislative staff, and legislators.
- Monitor legislative deliberations on the budget and advise the agency on the impact to them.
- Provide status reports.

Fiscal Note Preparation and Coordination

DES will:

- Assist in preparing fiscal notes as requested.
- Assist the agency in briefing OFM budget and legislative staff as needed.
- Assist the agency in responding to questions from OFM budget, legislative staff, and legislators.

Allotment Preparation

DES will:

- Prepare any additional material to accompany the OFM allotment instructions.
 - Allotment calendar
 - Roles and responsibilities.
 - Special instructions
- Provide the agency with control totals.
- Meet with the agency to discuss the desired allotment approach.
- Produce draft allotments for the agency's review.
- Prepare final allotments and send to OFM budget before the deadline.
- Adjust allotments when necessary throughout the year.

Financial Reports and Analysis

DES will:

- Send to the agencies, by the end of the month following the close of each fiscal month:
 - A management report at the agency level.
 - Requested Enterprise Reporting report.
 - Notes that explain any unusual or significant components of the financial reports and errors not corrected prior to report production.
 - Expenditure trend analysis.
 - Analysis of any budget variances and proposed corrective action plans, if appropriate.
 - Involve OFM when actual or projected overspent appropriation situations arise and corrective actions plans cannot be agreed upon between DES and the agency.
- Prepare reports in accordance with State Administrative and Accounting Manual (SAAM).
- Prepare additional reports as needed throughout the month.
- Be a liaison for financial information and advisory services as needed.
- Meet with the agency at least quarterly, or more often, if requested.

Purchasing

DES will:

- Prepare field orders and printing requisitions based on the receipt of written authorization from the agency specifying the type and quantity of supplies or equipment requested, including vendor name, address, and phone number.
- Provide guidance and research related to purchases when requested.
- Assign field order numbers.

How the agency can help DES provide the service more efficiently and effectively:

- Send written and signed authorization to prepare field orders and printing requisitions.
- Forward a copy of the purchase order to accounting when an order is placed.
- Provide how the split should be made so the purchase can be accounted for correctly if the purchase cost is to be split among programs.

Fixed Asset Accounting

DES will:

- Enter and update asset account balances in the general ledger.
- Update the asset control system.

- Provide guidance to the agency on conducting an annual physical inventory of equipment.
- Work with the agency to reconcile the asset control system with the results of the physical inventory.
- Reconcile the asset control system with the accounting system.
- Record depreciation expenses.
- Provide guidance to the agency on fixed asset policies and asset protection measures.
- Provide the agency with property tags when requested.

How the agency can help DES provide the service more efficiently and effectively:

- Notify DES of all fixed asset purchases, disposals, and transfers.
- Tag all fixed assets promptly.
- Provide DES tag number and fixed asset information for input into the fixed asset system.

Financial Reporting and Audit Requirements

DES will:

- Prepare entries necessary to meet State Administrative and Accounting Manual (SAAM).
- Maintain all accounting records for the agency.
- Work with the agency to maintain the agency's AFRS chart of accounts.
- Prepare year-end closing entries, including preparation of the OFM financial disclosure forms in accordance with the State Administrative and Accounting Manual (SAAM).
- Assist the agency as needed in responding to auditor questions.
- Archive the agency accounting records in our possession after they are audited.

Accounts Payable Services

DES will:

- Pay all invoices on time and in accordance with the State Administrative and Accounting Manual (SAAM)., given that they are received from the agency within seven working days of the due date.
- Ensure all possible discounts are taken.
- Ensure that all invoices submitted to DES no later than five days prior to AFRS cut-off will be included in that month's financial reports.
- Audit pay documents for adequate support, approvals and compliance with regulations.
- Prepare invoice vouchers, A-19s, and journal vouchers.
- Input data into the accounting systems.

- Verify system output.
- Conduct prompt research and issue resolution with vendors (and the agency) to ensure the agency's accounts remain in good standing.
- Provide agencies with copies of warrant registers.
- Prepare and submit all Internal Revenue Service (IRS) 1099 reporting on time.
- Prepare and submit all tax reports on time.
- Prepare and submit all unclaimed property on time.
- Estimate and record monthly accruals.
- Notify the client of proposed changes to payment coding.
- Cancel and reissue payments.
- Clear In-Process reports weekly
- Provide guidance to the agency on:
 - Pay document preparation and coding.
 - Travel regulations and requirements.
 - Service contract requirements.

How the agency can help DES provide the service more efficiently and effectively:

- Utilize systems and technology when available:
 - Travel Expense Management System (TEMS)
 - Automated Clearing House (ACH) / Direct Deposit
 - Downloading credit card statements
 - Receipt of payment registers via daily emails
 - Scanning and emailing information to DES
- Provide DES all accounts payable items at least once a week (sending smaller batches more often rather than larger batches).
- Use the A-45, Agency Transmittal, to list all payment documents being transmitted to prevent document loss.
- Ensure all proper authorizations are noted in accordance with the State Administrative and Accounting Manual (SAAM).
- Provide how the split should be made if the cost is to be split among programs.
- Notify DES in writing of any address changes related to commission or board travel vouchers.
- Send all accounts payable items for differing fiscal months on separate A-45s, Agency Transmittal.
- Use credit card logs to record all purchase activity and submit with bill for payment.
- Provide blanket approval for reoccurring payments and leases.
- Participate in Lean process improvement workshops.

Invoicing, Accounts Receivable and Cash Receipts Services

DES will:

- Prepare invoices based on billing information provided by the agency.
- Send invoices to customer depending upon agreement with agency.
- Book accounts receivable in accordance with the State Administrative and Accounting Manual (SAAM).
- Process recovery of expenditures.
- Receipt and process all cash receipts.
- Prepare deposits for the State Treasurer and local funds in accordance with the State Administrative and Accounting Manual (SAAM).
- Secure cash receipts waiver from the State Treasurer's Office on the agency's behalf.

How the agency can help DES provide the service more efficiently and effectively:

- Utilize systems and technology when available:
 - Automated Billing System (ABS)
 - Scanning and emailing information to DES
- Submit all money received by the agency to DES to ensure deposit in accordance with the State Administrative and Accounting Manual (SAAM) or waiver agreement.
- Notify DES of any EFTs received.
- Provide documentation for coding the receipts.
- Do all collection activities.
- Send all invoicing, accounts receivable, and cash receipt items for differing fiscal months on separate A-45s, Agency Transmittal.

Payroll Services

DES will:

- Process all personnel and payroll transactions in compliance with state and federal regulations.
 - New hires, terminations, separations, retirements, etc.
 - Pay increases
 - Adjustments to hours worked
 - Part-time employee hours
 - Any other employer changes affecting net pay
- Process authorized personnel and payroll transactions such as:
 - Overtime
 - Board member pay
 - Taxable fringe benefits

- Deduction changes
 - W-4
 - Address changes
- Input position expenditure coding into the Human Resources Management System (HRMS).
- Audit and maintain employee leave records and reports in Employee Self Service (ESS) and/or HRMS.
- Maintain payroll files as required by state retention schedule.
- Prepare and submit state and federal payroll reports.
- Process special pay warrants as necessary.
- Cancel and re-issue pay warrants, if needed.
- Reconcile payroll revolving account (035).
- Maintain accurate records with Department of Retirement Systems.
- Provide the agency with a copy of the Payroll Journal for the agency's review and signature. These should immediately be returned to DES for retention.
- Provide the agency with the Attendance System Leave Report or the ESS leave report for each pay period within five (5) days of publication.
- Generate and maintain all required payroll reports in accordance with the State Administrative and Accounting Manual (SAAM).
- Provide guidance, support, and knowledge to the agency in regards to personnel, payroll and benefits.
 - Insurance and benefits
 - Deduction options
 - Leave policies
- Respond to all inquiries of agency auditors (State Auditor or CPA firm) related to payroll, and make available all documents requested by agency's auditors.
- DES is not responsible for unreasonable delays caused by the State Mail Service. We have a five day waiting period before we will cancel and re-issue a check lost in the mail.

How the agency can help DES provide the service more efficiently and effectively:

- Provide document transmittal between the agency and DES by mail, agency pickup, agency drop-off, fax, or email.
- Ensure DES receives all desired payroll and personnel changes no later than Day 1 of payroll processing. Review, return, and complete and appropriately signed payroll report documents back to DES no later than Day 1 of payroll processing.

Performance Measures

Measure	Target	Description
Percent of Budgets Submitted to OFM On Time *Annual Measure	100%	Budget submittals are one of the most important documents that an agency prepares. In order to ensure a timely submittal, SAFS will adequately coordinate with client agencies ahead of the deadline.
Percent of Allotments Submitted to OFM On Time *Annual Measure	100%	Budget allotments are an agency's expenditure plan for its biennial funding. SAFS will adequately coordinate with client agencies ahead of the deadline.
Customer Satisfaction *Annual Measure	90% Overall Satisfaction	Measuring customer satisfaction is an important means to determining whether or not the reports provided by analysts are useful to an agency. If reports are not useful and quarterly meetings are unproductive, an agency will not be satisfied. While an annual survey will be conducted, quarterly client meetings are an excellent opportunity for course corrections if an agency is unhappy with its service.
Percent of Invoices Processed On-Time *Quarterly Measure	95%	Paying vendor invoices on time requires timely submittal by agencies and prompt processing by SAFS accounts payable. The target set by SAAM is for invoices to be paid within 30 days of the invoice date.
Percent of Invoices paid on time when received within seven days of the due date *Quarterly Measure	95%	While the overall goal is to pay invoices on time, timely payment is affected by both timeliness of receipt by SAFS and timely processing by SAFS. This measure focuses on SAFS performance by separating out the portion of the process that is not controlled by SAFS.

References / Tools / Links

OFM Quick Reference Guide – required agency internal policies, procedures, and/or documentation for capital assets, inventories, accounting, and other policies.

<http://www.ofm.wa.gov/resources/misc/MCQuickReferenceGuide.pdf>

SAAM Manual – minimum requirements that state agencies must meet pertaining to control and accountability over financial and administrative affairs of the state of Washington.

<http://www.ofm.wa.gov/policy/contents.asp>

Agency Director's Manual – a high level reference guide on accounting, budgeting, personnel and payroll, contracts and purchasing, ethics.

<http://www.des.wa.gov/SiteCollectionDocuments/HRPayroll/SACS/DirectorManualFebruary2016.pdf>

Executive Assistant's Manual – details guide on operational processes.

<http://www.des.wa.gov/SiteCollectionDocuments/HRPayroll/SACS/EAManual8.2013.pdf>

Service rates

Service	Rate	Description
Accounts Payable Services	Allocation based on accounts payable transactions	The budgeted costs related to payment processing and accounts payable will be allocated to customer agencies based on their proportion of total payment transactions.
Invoicing, accounts receivable, and cash receipts services	Allocation based on accounts receivable transactions	The budgeted costs related to invoicing and accounts receivable will be allocated to customer agencies based on their proportion of total receivable transactions.
Budgeting and Financial Management Services	Allocation based on total budget (less pass through funds)	The budgeted costs related to financial analysis and budget work will be allocated to customer agencies based on the relative size of the agency budget compared to all customer agency budgets.
Payroll Services	Allocation based on FTEs	The budgeted costs related to payroll services will be allocated to customer agencies based on their proportion of total customer FTEs.

Customers will be billed monthly.

How do I become a customer, or request a change in services received?

To become a new customer, to add services, or unsubscribe from Small Agency Financial Services, please contact both:

- Gwen McClanahan, Small Agency Financial Services Manager
Gwen.McClanahan@des.wa.gov or (360) 407-8132

Or

- Jim Morgan, DES Accounting Manager
Jim.Morgan@des.wa.gov or (360) 407-9458
- Your agency's assigned OFM budget analyst

OFM will arrange a joint consultation with you to confirm how best to ensure your financial services needs are met, to provide a rate estimate if appropriate, and to develop a service transition plan if needed.

Contact information

If you feel these service commitments are not being met, or if you have questions, concerns or praise, please contact:

Gwen McClanahan, Small Agency Financial Services Manager at
Gwen.McClanahan@des.wa.gov or (360) 407-8132

Jim Morgan, Accounting Manager at Jim.Morgan@des.wa.gov or (360) 407-9458

Annette Meyer, Chief Financial Officer at Annette.Meyer@des.wa.gov or (360) 407-9222